

B. Lanigan
JUNE, 1972



DIGEST

THE CO-OPERATIVE FEDERATION
OF AUSTRALIA

THE CO-OPERATIVE FEDERATION OF AUSTRALIA

- * Is a federation for all types of co-operatives throughout Australia.
- * Is affiliated with the International Co-operative Alliance.
- * Among its objects are:

TO promote the development of co-operative enterprise in all forms in Australia by giving counsel and providing regular opportunities for mutual discussion of co-operative ambitions and problems.

TO advance the claims of co-operative enterprise for adequate, and where necessary protective, legislation and to foster among Government and commercial administrative authorities an intelligent understanding of co-operative aims and principles.

TO foster unity within the co-operative movement in Australia.

TO compile reliable statistics of co-operative activity in Australia regarding membership, business turnover, resources, co-operative distribution, and any other details indicating its strength and progress.

TO maintain liaison with international co-operative organisations and to exchange information of mutual advantage in aiding the extension of co-operation.

Members are:

The Co-operative Federation of Queensland; The Co-operative Federation of New South Wales; The Co-operative Federation of Victoria; The Co-operative Federation of Western Australia; The Murray River Wholesale Co-operative Society, South Australia; The Wine and Brandy Co-operative Producers' Association of Australia.

Associate members are:

The Australian Federation of Credit Union Leagues; The Australian Producers Wholesale Co-operative, Victoria; The Co-operative Insurance Company of Australia; The Eudunda Farmers Co-operative Society, South Australia; The Newcastle & District Co-operative Society, New South Wales.

CO-OP DIGEST

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Editor

J. Lawrence

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CO-OP COMMENT

"THE times they are a-changing". Agreed.

But are we, as co-operators, changing with them, after them, or anticipating the changes and establishing ourselves as pacesetters?

Too often the answer is "with them". In some cases we're behind the times, carrying on in a manner in which we were established 10, 20, 30, 40, 50 years ago. For these reasons we may be losing out on our market share, on topline staff, and on member support.

While calling our organisation "co-operative" we are in fact, in these circumstances, making a wrong use of what should be a jealously-guarded corporate descriptive term.

The co-operative movement is supposed to be a socio-economic activity following certain well-known and keenly protected basic principles.

Can we honestly express pride in membership of our co-operative, knowing its policy — of helping our particular community improve its lot either as producers or consumers — is understood by our board of directors and management? Are they regularly involving us, the members, in our co-operative's activities as a social service as well as an economic operation?

Maybe we think we are only members of just another mediocre business. If so, what are we, as members, doing about it? Do we support our co-operative fully? Do we attend meetings and assist management and board with grass roots thinking?

Are we aware of the activities and services of our co-operative federations, state and national and of the international co-operative alliance?

Are we helping them to help us in their co-ordinating and representative policies? Are we receptive to and learning and teaching new ideas to ensure our services meet the needs of our community today and tomorrow?

The needs of today's young folk, who will be tomorrow's directors and management and leading citizens, must be understood. Are we doing our bit to make membership of our co-operative the "in-thing"?

Are we in fact planning our co-operative as a pacesetter? Are we? Let's do it.

Let's keep this Australian co-operative movement moving forward!

Co-op backs low interest housing



THE Federal Government has been asked to consider subsidising interest rates to reduce the monthly repayments of home buyers.

The decision to approach the Government was made by delegates at the Federation of Co-operative Housing Societies of Victoria's 25th conference between March 10-13.

Meeting at the seaside resort of Lorne, delegates also called on the Federal Government to consider adding house repayments to life assurance premiums as an allowable deduction for income tax — provided that the final claim doesn't exceed the present \$1200.

An interesting achievement of the federation is in the preparation of a syllabus for appropriate teaching and student guidance on the subject of "Obtaining a Home."

The course is being prepared in conjunction with the Permanent Building Societies

● Pictured at the Victorian Housing Conference: Mr. K. Downing (Secretary, Australian Council of Building and Housing Societies); Mr. B. Knowles (President, Australian Council of Building and Housing Societies); Mr. J. Mason (President, Co-operative Housing Societies of Victoria); Mr. K. Cairns (Federal Minister for Housing); Mr. W. Holmes (Member, Australian Council); Mr. E. Graham (Member, Australian Council).

Association and the Institute of Secretaries at the request of the Director of the Home Economics Course, for the requirements of Forms 5 and 6 in secondary schools.

The conference also considered questions on a variety of subjects including decentralisation, land costs, land usage and technical research funds to the states for housing into lower cost housing, and the use of commonwealth ing purposes.

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Ban N-tests call

THE International Co-operative Alliance, addressing its affiliated organisations comprising 268,027,350 members in 60 countries, on the occasion of the 50th International Co-operative Day:

WELCOMES warmly the lessening of tension resulting from the treaties between Russia and West Germany, as well as the one between Poland and West Germany and the conclusion of the quadripartite agreement on Berlin.

URGES strongly all leading statesmen to reach agreement banning the production, storage and use of all biological and chemical means of warfare, and to aim for a complete prohibition of all nuclear tests to ensure that the massive expenditure on arms could be diverted to constructive purposes.

RECALLS with satisfaction that 1972, the year of its 25th congress, is also the 50th year of the celebration of the International Co-operative Day aimed at furthering international co-operative solidarity.

THANKS all members organisations for their continued support of the aims and work of the Alliance and ask all co-operators to support actively programmes within the Co-operative Development Decade.

DRAWS attention to the recent discussion on "The Situation and role of
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Low interest housing

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In its annual report the federation showed that over 50,000 homes have been financed by co-operatives in Victoria.

The annual report booklet highlights that the co-operative housing society movement believes:

EVERY person and family in the community desiring home ownership should be given an opportunity to obtain a home. **THERE** is a continuing unsatisfied need by the average

wage-earner for housing finance.

IN view of the difficulty experienced by the average wage-earner in obtaining finance from other lending institutions, co-operative housing must continue to be their main source of financial help and therefore must concentrate its financial resources to meet their needs.

The federation in conference passed several motions reiterating this belief.

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women in co-operative movements" and urges member organisations to:

- Promote new programmes directed towards women's participation in member and public relations schemes.
- Encourage more women to seek election to co-operative policy-making bodies and to qualify for higher posts in co-operative service.

- Provide co-operative education and training designed to attract both sexes.

- Keep in mind the special needs of women in the developing countries when planning aid programmes.

REMINDS all co-operators that 1972 is designated by UNESCO as the International Book Year and stresses the world co-operative movement's traditional role in the promotion of the written word.



RECOMMENDATIONS have been made in an International Co-operative Alliance report on steps to be taken to assist women to play an increasing role in the management and control of co-operatives.

The document includes four sets of recommendations under the following headings: Action by the ICA; by national movements; by co-operatives as employers; and by women co-operators.

Set out below are the main recommendations appearing under the heading "national movements":

1. Examine the part played by women in your organisation.
2. New and special programmes directed towards the involvement of women should be allied to member participation and public relations schemes.
3. Co-operative elections should be studied to ascertain the success achieved by women. More women should be encouraged to offer themselves as candidates.
4. Where there is little chance of any woman being elected, consideration should be given to allocating special places for women.
5. Delegations appointed at local level to regional and national events should include women.
6. Special attention should be given to new ways of attracting young women into membership.
7. Programmes should be formulated for introducing children to co-operative ideals and methods.
8. National co-operative press should give more space and emphasis to news referring to women's participation in co-operative activities.

Name of the game is co-operation

LET us look at our co-op history. The Rochdale Pioneers' Co-operative grew out of the ashes of many unsuccessful efforts at mutual trading in the English industrial revolution.

That was in 1844. From that day until the world-wide Congress of the International Co-operative Alliance in the early 1960's we have continued to recite the same limited catechism of co-operative principles.

Believe it or not but it took our world-wide co-operative movement 120 years to realise that the development of co-operative trade between co-operatives was important enough, and significant enough, to add it as the sixth principle of co-operative purpose and practice.

After two years further protracted discussions on its actual wording this NEW co-operative principle now reads:

"All co-operative organisations, in order to best serve the interests of their members and their communities, should actively co-operate in every practical way with other local co-operatives at local, national, and international levels."

The early pioneers who formulated the constitution of our Queensland federation

AN extract from a paper by Mr. W. Kidston, chief executive officer, Co-operative Federation of Queensland. Prepared for the 1972 Queensland Co-operative Congress.

back in 1945 already were inspired with this vision of inter co-operative co-ordination.

Even though they wrote a similar provision into our rules it has taken many years for our member co-operatives to implement these ideals.

In fact, as I look around the featured displays in many of our co-operative grocery departments, I am often amazed to see what little prominence is given to co-operatively-produced products as compared with non-co-operative products in a similar category.

I do not necessarily intend this comment to be a destructive criticism of the managerial performance of the retail executive staff concerned. It may be that co-operative processors are not as aggressive in their marketing practices as are their non co-operative counterparts.

There may, of course, be other explanations also which

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could be given for this lack of co-ordination of co-operative effort. However, the fact remains that, in this country, the members of co-operatives both in the retail and in the processing sectors, are farmers.

It would therefore seem logical to suppose that the farmer directors of our retail co-operatives would naturally adopt a policy clearly indicating that preferential consideration be always given to co-operatively-produced products. In this way, it would simply mean that farmers in one area were extending their assistance to farmers in another area to mutually increase the returns from their farming efforts.

The continued lack of co-operation among co-operatives has long intrigued me.

Recently this federation had the privilege of entertaining the leader of the central supply co-operative for a consumers co-operative in Japan. We were assisting him to make contact with food exporting co-operatives in Queensland.

He astounded us with the strength of the retail co-operative movement in his country. However, he admitted that their co-operatives faced the same world-wide problem of lack of co-operation among co-operatives. He stated that of the goods available, local co-operative societies purchased only about 15 per cent of their requirement from their own Central Co-op Wholesale Society.

You will recall from papers presented at our earlier congresses that exactly the same set of circumstances applied in England in the past few decades.

In fact, the English Co-operative Wholesale Society was forced to close many of its manufacturing enterprises because of the lack of loyalty of member co-operatives to their own CWS.

From my studies of this situation it could almost be assumed that far from co-operating with each other, many of the co-operatives in this sector were antagonistic to each other.

In our own country, co-operative wholesale societies have failed in past years in three of our states through lack of support from the individual co-operatives which initially formed them.

In fact, because of the peculiarities of the structures of our Queensland movement, Queensland is the only State in which a state-wide co-operative wholesale society continues to operate.

The lack of co-operation among co-operatives raises many vital questions to students of our movement.

Is it hypocritical for directors to expect their members to support their own local co-operative wholesale society if it does not support the principle of co-operation among co-operatives?

How can local directors call on their shareholders to make their invested capital work for them when their own co-operative neglects this principle in the secondary field?

CO-OPERATIVES are playing their part in the progress of Papua — New Guinea.

First established in 1948 as small village concerns, the societies now number some 400 and form a national movement — the PNG Federation of Co-operative Unions Ltd., with a membership of over 130,000 and annual turnover of \$8 million.

They are chiefly concerned in processing and marketing primary products such as copra, coffee, cocoa and rice, and in transport, wholesale and retail services.

Import, shipping and freezer services are provided by a wholesale society, insurance and investment services are operating, and a general marketing society is planned, chiefly for the export of agricultural produce.

More than any other single institution, the co-operative movement has proved a valuable means for the people of Papua-New Guinea to acquire business and production skills.

To a movement so young and vital as this, education and training are of a major importance. A national Co-operative Education Trust was formed in 1969 and an Education Centre has been kept busy in Port Moresby in training over 1,000 co-operators since 1957.

With the increasing demand for skilled officers, however, the centre — with a capacity of only 40 students

Helping build a new nation

at a time — is no longer equal to the task.

A new co-operative college is being built, with assistance from the International Labor Organisation and the United Nations Development Programme.

The international aid is being channelled through a three-and-a-half year project which aims not only to establish the college but to launch it operationally, and to carry-out field extension and advisory programmes throughout the country.

The Administration is providing national project personnel, training facilities, buildings, equipment and other facilities to a total cost of \$518,600.

Through the ILO as executing agency the UNDP is providing complementary

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support with expert and other services and equipment to a cost of \$US546,000.

Work is already in full swing on a 100-acre riverside site at Laloki, near Port Moresby, in the forested foothills of the Owen Stanley mountains.

The first phase of the college — classrooms, dormitories, messhall and kitchens, offices and staff houses — has been built ahead of schedule, and the entire campus is almost completed.

Training courses have started for staff of the administration's department of Business Development and co-operative society managers from many parts of the country.

The long-term objective is to create a country-wide training structure which, allied to extension services, will lead to improved managerial performance and enable co-operatives to undertake new and more complex business ventures.



● Leon Magree, Development Officer of the Victorian Credit Co-operative Association Ltd., who has been appointed manager of P.S.A. Saving and Loan Society in Papua-New Guinea. Leon, who resigned from the Victorian Association with effect from June 16th, has been a full-time officer with co-operatives in Victoria since 1958. He was the first full-time officer appointed by the Victorian Credit Association. Tributes were paid to Leon Magree by several speakers at the annual meeting of the VCCA.



THE Committee of Management of the Co-operative Federation of New South Wales is to examine ways and means of introducing co-operative information to commerce students in New South Wales schools.

This will require the preparation of suitable information and obtaining the approval of the appropriate state government department.

From chooks to a motel

A CO-OPERATIVE in New South Wales is planning a million-dollar building complex.

Details were released by Mr. O. Kennedy, general manager of the Miranda Co-operative Trading Society Ltd.

Mr. Kennedy said the complex, to be built on the society's present site, would consist of six large retail areas, a motel of 29 units and a rooftop restaurant giving extensive views of waterways and Sydney.

The motel will be some 15 minutes drive from Sydney's Mascot airport.

This co-operative has been in existence for 54 years, and was formed originally to allow local producers such as poultry farms, etc. to purchase bulk grain and feeds at advantageous prices.

It sells produce, hardware, groceries and allied lines, but expects that with the new development there will be a full range of goods available to shareholders.

Mr. Kennedy stated that although membership stands at about 4,000 shareholders, he expected that this figure will double with the construction of the new building.

In 50 years the Manning Co-operative Meat Society, which began as a small bacon factory, has built up shareholders' assets exceeding \$1,500,000.

In 1959 the co-operative began operations as an abattoir and received livestock from both shareholders and non-shareholders.

A rural co-operative, it operates the abattoir and boning room at Wingham, 228 miles north of Sydney. The majority of its 2,000 — plus shareholders, live within 100 miles radius of Wingham.

Chairman of the nine-man board of directors is Mr. W. Fotheringham, and the co-operative's manager is Mr. W. E. Kane.



FIVE officials of Unicoop-japan and Zenkoren, national purchasing federation of agricultural co-operative associations in Japan, visited Australia in April for an official reception to commemorate the opening of Unicoop-japan's Liaison Office in Sydney.

The Sydney office in Australia Square will be under the management of Mr. Kuwazawa.

Unicoopjapan and Zenkoren are annually importing agricultural products from New South Wales, Queensland, Western Australia and Victoria for a total value of \$15,000,000.



An international training course in the establishment and management of co-operatives in rural areas was conducted in Australia in February and March this year.

The course was sponsored by the Australian Government under the Colombo Plan, the special Commonwealth African Assistance Plan and the South Pacific Aid Programme.

Trainees come from the following countries: Bangladesh, Fiji, Gilbert Islands, Ellice Islands, India, Indonesia, Iran, Korea, Philippines, Swaziland, Uganda and Western Samoa.

Study tours were made to co-operatives in New South Wales, Victoria and Western Australia.



THE next issue of Co-op Digest will be published in October. It will include articles on Australian Federation of Credit Unions, Co-operative Federation of New South Wales and Co-operative Federation of Queensland.

Amalgamate ... or perish

CHAIRMAN Mr. R. Lemair, of La Prevoyance Social, Belgium, and Secretary Mr. H. H. Knighton, of Co-operative Insurance Society, Great Britain, paid a brief visit to Australia in March.

They met directors and management of Co-operative Insurance Company of Australia Ltd. in Melbourne and Sydney.

Mr. Lemair stressed the need for co-operatives to amalgamate in order to withstand the growing competition from large international business organisations.

The International Co-operative Re-Insurance Bureau was established in 1949 by the International Co-operative Alliance with two objects:

1. To promote and develop exchanges of business between insurance co-operatives and to give to smaller societies the benefit of the underwriting skills of the more experienced offices.
2. To give all possible assistance, such as technical advice and training and provision of reinsurance, to insurance co-operatives formed in developing countries.

SEVERAL papers were presented on developments in agricultural co-operatives at the West Australia Co-operative Federation's annual conference in March.

One such paper was given by Mr. K. G. Manning on "Co-operative Wheat and Sheep Farming."

Mr. Manning emphasised at the beginning of his paper that in this type of co-operative activity, people are more important than the material resources.

Mutual trust, the sincerity of purpose and willingness to contribute individual talent to the well-being of the group is of paramount importance.

After initial informal discussions among a group of friends, opinions and advice were sought from the co-operative federation, from business managers, bankers and accountants.

The advice generally received encouraged the group to proceed with the sharing or amalgamation of their farming activities in an effort to reduce overall costs. After early discussions it was realised that rather than operate partly on a co-operative basis, a complete merger would be more desirable and so planning began for a fully-integrated farming operation.

The co-operative farming project includes five farms ranging in area from 2,000 to 5,000 acres — at total of 14,500 effective farm acres. The properties do not join.

Mutual trust is so vital

The new company took over all stock and plant at valuation and leased the properties from the separate land owners for an initial period of five years.

Mr. Manning elaborated on the detailed steps taken to develop and form this farming co-operative. He advised delegates of the financial results achieved in the first year's operation, when savings on labor amounted to about \$1 per acre.

Compared with the individual budget estimates for the same period, when a little better than break-even point was indicated, the actual results for the co-operating unit gave a net return of receipts over payment of \$42,200.

Queensland's co-ops meet

OVER 100 delegates took part in the 26th annual congress of Queensland Co-operatives held in Brisbane in March, 1972.

The Deputy Premier and State Treasurer (Sir Gordon Chalk) opened the congress, and paid high tribute to the work of co-operatives in Queensland in stabilising rural and urban populations.

Delegates were present from Papua-New Guinea and from Fiji.

Apart from the annual meeting of the federation, a number of papers were discussed during the congress. These included:

HOW can a director best cope with his responsibilities in a modern day Co-operative? Advantages and disadvantages of leasing or buying buildings, machinery and other operating equipment.

CO-OPERATIVE development and linter co-operative international trade potential in the South-East Asian Pacific Region.

CLOSER co-ordination among co-operatives and commodity marketing boards.

A SUGGESTED approach to the education of rural managers.

Congress adopted a resolution asking the State Council of the federation to investigate the possibility of setting up, in conjunction with an organisation such as the Queensland Institute of Technology, an education programme for manager.

The federation issued an educational leaflet entitled "A Common sense Look at Co-operatives and Taxation".

Queensland's federation was active in providing an increasing opportunity for regional contacts between co-operatives, as evidenced from the following summary of regional conferences it sponsored in the last year:

Two-day North Queensland co-operative conference in Bowen; one-day co-operative seminar in Brisbane; one-day co-operative seminar in Townsville; conferences in Warwick and Rockhampton.



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